



State of Washington
Department of Revenue

Excise Tax Advisory

Excise Tax Advisories (ETA) are interpretive statements issued by the Department of Revenue under authority of RCW 34.05.230. ETAs explain the Department's policy regarding how tax law applies to a specific issue or specific set of facts. They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

NUMBER: 183.16.179 **CANCELLED FEB 15, 2001**

CONVERSION DATE: July 1, 1998

GROSS INCOME OF PUBLIC UTILITY DISTRICTS - LOCAL TAXES INCLUDED

Issued August 26, 1966

Are city business taxes and taxes imposed under Chapter 54.28 RCW included in the gross receipts of a public utility district taxable under Chapter 82.16 RCW?

A public utility district was taxed under a city business and occupation tax and a Public Utility District Tax. It contended the amounts paid under the two taxes should have been deducted from the gross receipts taxed under Chapter 82.16 RCW, Public Utility Tax.

The Commission held that the computation of the gross income (as defined by RCW 82.16.010(12)) of the power and light company properly included the amounts paid for taxes. In an appeal to the Superior Court, it was held that the city taxes were rightfully considered part of the cost of doing business and that billing the taxes as separate items could not convert them to taxes on the consumer. Thus, the proper measure of the state Public Utility Tax was the total amount billed for utility services without deduction of the amount of the city taxes. (Order.)

ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.

To inquire about the availability of receiving this document in an alternate format for the visually impaired or language other than English, please call (360)753-3217. Teletype (TTY) users please call 1-800-451-7985.

Please direct comments to:
Department of Revenue
Legislation & Policy Division
P O Box 47467
Olympia, Washington 98504-7467
(360) 753-4161 eta@DOR.wa.gov